

**FAMILIES HELPING FAMILIES OF
SOUTHWEST LOUISIANA, INC.**

**FINANCIAL STATEMENTS
AND INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

JUNE 30, 2000

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3-7-01

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Board of Directors
Families Helping Families of
Southwest Louisiana, Inc.
Lake Charles, LA

We have compiled the accompanying statement of financial position of Families Helping Families of Southwest Louisiana, Inc. (a nonprofit organization) as of June 30, 2000 and the related statements of activities, functional expenses and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, will not express an opinion or any other form of assurance on them.

McMullen and Mancuso CPAs

December 21, 2000

Members

American Institute of Certified Public Accountants
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**Families Helping Families
of Southwest Louisiana, Inc.**

**Statement of Financial Position
June 30, 2000**

Assets

Current Assets:

Cash in Bank	\$ 17,847
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Fixed Assets:

Equipment and Furniture	42,744
Library	6,676
Building	67,728
Building Improvements	438
Less: Accumulated Depreciation	(35,407)
Net Fixed Assets	<u>82,179</u>
Total Assets	<u><u>\$ 100,026</u></u>

Liabilities and Net Assets

Current Liabilities:

Line of Credit	\$ 33,885
Note Payable - Bank One	2,550
Total Current Liabilities	<u>36,435</u>

Long-Term Liabilities:

Note Payable - Bank One	43,187
Total Liabilities	<u>79,622</u>

Net Assets:

Unrestricted	<u>20,404</u>
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Total Liabilities and Net Assets	<u><u>\$ 100,026</u></u>
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"See Accompanying Accountants' Report and Notes to the Financial Statements"

**Families Helping Families
of Southwest Louisiana, Inc.**

**Statement of Activities
For the Year Ended June 30, 2000**

Unrestricted Net Assets

Support:

Federal Grants	\$ 91,249
State and Local Assistance	53,157
Contributions	31,366
Fund-Raising	3,529
Miscellaneous	601
Total Support	<u>179,902</u>

Expenses:

Program Services	134,551
Supporting Services:	
Management and General	41,943
Total Expenses	<u>176,494</u>

Increase (Decrease) In Unrestricted Net Assets	3,408
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Net Assets at Beginning of Year	<u>16,996</u>
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Net Assets at End of Year	<u><u>\$ 20,404</u></u>
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"See Accompanying Accountants' Report and Notes to the Financial Statements"

**Families Helping Families
of Southwest Louisiana, Inc.**

**Statement of Functional Expenses
For the Year Ended June 30, 2000**

	Program Services	Supporting Services	Total Services
Advertising and Promotion	\$ 573	\$ -	\$ 573
Bank Service Charges	-	25	25
Client Services	6,410	-	6,410
Conference and Meetings	4,829	-	4,829
Contract Services	9,477	544	10,021
Equipment Rental	522	58	580
Fund-Raising	-	351	351
Insurance	-	1,463	1,463
Interest	7,210	801	8,011
Membership Dues	-	225	225
Miscellaneous	553	61	614
Office Expense and Supplies	370	3,334	3,704
Penalties	-	3,376	3,376
Postage and Shipping	1,748	194	1,942
Printing and Publications	4,576	-	4,576
Professional Fees	742	83	825
Repairs and Maintenance	-	3,323	3,323
Salaries and Wages	68,770	22,923	91,693
Supplies	385	43	428
Taxes and Licenses	5,810	2,631	8,441
Telephone	8,138	904	9,042
Travel and Transportation	4,675	519	5,194
Utilities	1,897	211	2,108
Total Functional Expenses Before Depreciation	126,685	41,069	167,754
Depreciation of Furniture and Equipment	7,866	874	8,740
Total Functional Expenses	\$ 134,551	\$ 41,943	\$ 176,494

"See Accompanying Accountants' Report and Notes to the Financial Statements"

**Families Helping Families
of Southwest Louisiana, Inc.**

**Statement of Cash Flows
For the Year Ended June 30, 2000**

Cash Flows From Operating Activities

Increase in Net Assets	\$ 3,408
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	8,740
Increase (Decrease) in Payroll Taxes Payable	<u>(4,146)</u>
Net Cash Provided By Operating Activities	8,002

Cash Flows From Investing Activities

Purchase of Equipment	<u>(3,404)</u>
Net Cash Used For Investing Activities	(3,404)

Cash Flows From Financing Activities

Mortgage Payments For Office Building	(2,326)
Net Proceeds From Line of Credit	<u>10,585</u>
Net Cash Provided By Financing Activities	<u>8,259</u>

Net Increase (Decrease) In Cash	12,857
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Cash at Beginning of Period	<u>4,990</u>
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Cash at End of Period	<u><u>\$ 17,847</u></u>
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"See Accompanying Accountants' Report and Notes to the Financial Statements"

FAMILIES HELPING FAMILIES OF SOUTHWEST LOUISIANA, INC.
Notes To the Financial Statements
June 30, 2000

Organization and Background

Families Helping Families of Southwest Louisiana, Inc. was established in Lake Charles in 1991 as part of a statewide network of family resource centers. This center serves not only Calcasieu Parish, but also Allen, Beauregard, Cameron, and Jeff Davis parishes. The agencies throughout the state are not-for-profit organizations designed to offer information and resources including referrals, education and training, and peer to peer support to individuals and family members of individuals with special needs.

The Agency is funded by donations and personal contributions, fundraisers, and various grants from the State of Louisiana and community organizations.

Note 1 – Summary of Significant Accounting Policies

Contributed Services

During the year ended June 30, 2000, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Property and Equipment

Property and equipment are stated at cost, or if donated, at the approximate fair market value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. No restrictions have been placed on assets donated to the Agency. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Agency considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Income Taxes

The Agency is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and comparable state law. Therefore, no provision has been made for federal or state income taxes in the accompanying financial statements.

FAMILIES HELPING FAMILIES OF SOUTHWEST LOUISIANA, INC.
Notes To the Financial Statements (Continued)
June 30, 2000

Note 1 – Summary of Significant Accounting Policies (continued)

Financial Statement Presentation

The Agency has adopted Statement of Financial Accounting Standard (SFAS) No. 117, "Financial Statements of Not-For-Profit Organizations." Under SFAS 117, the Agency is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Agency is required to present a statement of cash flows. As permitted by this new statement, the Agency has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the three classes of net assets required.

Basis of Accounting

The accompanying financial statements of Families Helping Families of Southwest Louisiana, Inc. have been prepared in the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when the related liability is incurred. Many of the Agencies revenues are received through cost reimbursement type grants and the corresponding revenue is recognized when received.

Note 2 – Retirement Benefits

The Agency does not provide retirement benefits. Employees participate in the Social Security system. The Agency is not responsible for any post-employment benefits. The Agency has only the usual obligation to make current matching payments to the Social Security system for active employees.

Note 3 – Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 4 – Economic Dependency

During the year ended June 30, 1999, the Agency received much of its support from the State of Louisiana Department of Health and Hospitals Office for Citizens with Developmental Disabilities and the Developmental Disabilities Council. If the support to the Agency were reduced significantly, it could have an adverse impact on the Agency's operations.

FAMILIES HELPING FAMILIES OF SOUTHWEST LOUISIANA, INC.
Notes To the Financial Statements (Continued)
June 30, 2000

Note 5 – Note Payable

In August 1996, the Agency borrowed \$53,600 from Bank One for the purchase of the office facilities. The note is payable in 59 monthly installments of \$556.23 including interest at 9.25% and one final installment payment consisting of the unpaid principal balance and accrued interest due in August, 2001. The Agency anticipates refinancing the mortgage under similar terms upon maturity. The loan is secured by the real estate.

Maturity of the note payable is as follows:

Year Ending June 30,	
2001	\$ 2,550
2002	2,671
2003	2,928
2004	3,211
2005	3,521
Thereafter	30,856
	<u>\$ 45,737</u>

Note 6 – Accrued Compensated Absences

The Agency has no policy providing for compensated absences.

Note 7 – Allocation of Program vs. Support Expenses

An allocation of many of the operating expenses of the Agency has been made on the basis of Board policy and management's estimate of 10% support and 90% program. Costs relating directly to the mission of the Agency are allocated as 100% program and expenditures for support matters and direct fund-raising costs are considered 100% support. Although the Agency's director and staff have certain administrative responsibilities, they are, nevertheless, significantly involved with the program activity owing to the small size of the Organization and the nature of the mission of Families Helping Families of Southwest Louisiana, Inc. Consequently, an allocation of salaries, wages, and related payroll taxes has been made on the basis of 75% program and 25% support.

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**Independent Accountants' Report
on Applying Agreed-Upon Procedures**

**To the Board of Directors of Families
Helping Families of Southwest Louisiana, Inc.**

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Families Helping Families of Southwest Louisiana, Inc., the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Families Helping Families of Southwest Louisiana, Inc.'s compliance with certain laws and regulations during the year ended June 30, 2000 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Determine the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Families Helping Families of Southwest Louisiana, Inc.'s Federal award expenditures for all Federal programs for the fiscal year follow:

Louisiana Department of Education Inclusive Education Facilitator - Region V	7/1/99 - 6/30/00	84,027A	\$12,479
State of Louisiana - Department of Health and Hospitals - Inclusive Education Services	7/1/99 - 6/30/00	--	\$6,000
State of Louisiana - Department of Health and Hospitals - Support Services	7/1/99 - 6/30/00	--	\$6,000
State of Louisiana - Office of Community Services - Parent Mentoring Grant	7/1/99 - 6/30/00	93,672	\$10,000
State of Louisiana - Department of Health and Hospitals - Administrative and related functions	7/1/99 - 6/30/99	--	\$25,006
State of Louisiana - Department of Health and Hospitals - TEFRA Outreach	7/1/98 - 6/30/99	--	\$15,000
Total Expenditures			\$74,487

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1. For each Federal, State, and local award, we randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.
2. For the items selected in procedure 2, we traced the disbursements to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the selected disbursements and found that payment was for the proper amount and made to the correct payee.

3. For the items selected in procedure 2, we determined if the disbursements were properly coded to the correct fund and general ledger account.

All of the payments were properly coded to the correct fund and general ledger account.

4. For the items selected in procedure 2, we determined whether the disbursements received approval from proper authorities.

Inspection of documentation supporting each of the selected disbursements indicated approvals from the director and/or the chairman of the board.

5. For the items selected in procedure 2: For federal awards, we determined whether the disbursements complied with the applicable specific program compliance requirements summarized in *the Compliance Supplement* (or contained in the grant agreement, if the program is not included in the Compliance Supplement) and for state and local awards, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

The disbursements reviewed complied with the allowability requirements for the state awards that the Agency received.

Eligibility

No eligibility requirements applied to the disbursements tested.

Reporting

The disbursements reviewed complied with the reporting requirements of the state awards with the exception of one. Booklets were received on a consignment basis. The Agency submitted the expense to the State at the retail value instead of at the Agency's actual cost. The difference in the amount is considered a questioned cost.

6. For the programs selected for testing in item (2) that had been closed out during the period under review, we compared the closeout report, when required, with the entity's financial records to determine whether the amounts agree.

There were no closed out programs during the period tested.

7. We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Families Helping Families of Southwest Louisiana, Inc. is required to post a notice of each meeting and the accompanying agenda on the door of the Agency's office building. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion other than an unmarked copy of a notice.

Comprehensive Budget

8. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Families Helping Families of Southwest Louisiana, Inc. provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

9. We reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

In the agreed-upon procedures engagement for the year ended June 30, 1999, we reported one expenditure that had not been coded to the proper general ledger account. We noted no similar errors in the current year and consider this matter resolved. The Compilation and Attestation Report for the year ended June 30, 1999 was submitted after the six-month statutory issue date, thereby placing the Agency in noncompliance with State Law. Families Helping Families of Southwest Louisiana, Inc. is a small nonprofit agency and the time and cost of the audits for the prior years prepared before this compilation and attestation report were factors in the delay of the engagement. This matter has been resolved, as this compilation and attestation will be submitted timely.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Families Helping Families of Southwest Louisiana, Inc., the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

McMullen and Mancuso CPAs
December 21, 2000

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Entities)

7/15/00 (Date Transmitted)

Families Helping Families of
Southwest Louisiana, Inc.
2927 Hodges St,
Lake Charles, La 70601 (Auditors)

In connection with your compilation of our financial statements as of _____ and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representation).

Federal, State, and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes [☒] No []

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes [☒] No []

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes [☒] No []

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes ☒ No ☐**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes ☒ No ☐**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes ☒ No ☐**Prior Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

X Melissa Moss Secretary 7-19-00 Date

Treasurer _____ Date _____

X Bernadette Courville President 7-15-00 Date